

Notice of Revised Projections

In light of the Company's recent performance, we have revised, as follows, the forecasts disclosed on May 10 this year for the first half of fiscal 2007, covering April 1, through September 30, 2006 and for fiscal 2007, ending March 31, 2007.

1. Amended Projections for First Half of Fiscal 2007 (April 1, 2006 to September 30, 2006)

Consolidated (Millions of yen)

	Net sales	Ordinary income	Net income
Previous projections (A)	605,000	37,000	16,000
Revised projections (B)	669,000	52,000	30,000
Change (B-A)	64,000	15,000	14,000
Change (%)	10.6%	40.5%	87.5%
Reference: Results for first half of fiscal 2006	524,926	36,777	16,456

Non-consolidated (Millions of yen)

	Net sales	Ordinary income	Net income
Previous projections (A)	305,000	13,000	5,000
Revised projections (B)	355,000	13,000	6,000
Change (B-A)	50,000	–	1,000
Change (%)	16.4%	–	20.0%
Reference: Results for first half of fiscal 2006	290,135	8,111	2,083

2. Amended Projections for Fiscal 2007 (April 1, 2006 to March 31, 2007)

Consolidated (Millions of yen)

	Net sales	Ordinary income	Net income
Previous projections (A)	1,210,000	81,000	32,000
Revised projections (B)	1,391,000	96,000	46,000
Change (B-A)	181,000	15,000	14,000
Change (%)	15.0%	18.5%	43.8%
Reference: Results for fiscal 2006	1,143,699	80,759	58,802

Non-consolidated

(Millions of yen)

	Net sales	Ordinary income	Net income
Previous projections (A)	600,000	30,000	10,000
Revised projections (B)	709,000	30,000	12,000
Change (B-A)	109,000	–	2,000
Change (%)	18.2%	–	20.0%
Reference: Results for fiscal 2006	601,362	25,960	7,355

3. Reasons for Revision

Management anticipates that consolidated ordinary income will exceed its projection by around ¥15 billion in the period under review, mainly owing to a significant rise in earnings at SUMCO, an equity method affiliate. Other contributing factors include U.S. demand for cement, which remains strong, and copper prices, which continue to remain high.

Consolidated net income should be ¥14 billion higher than envisaged as a result of the increase in consolidated ordinary income.

Our net consolidated forecasts reflect the gain in first-half earnings and should be achievable despite such uncertainties about the operating climate, such as interest rate and fuel cost trends.

4. Dividends for the Year

We plan year-end dividends of ¥3 per share, following interim payouts of ¥2 per share as announced on May 10 this year.

Note: Management produced the above forecasts based on various current assumptions, including for the economic climate and market trends. Results may differ owing to a number of factors.